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Ugo Colombo's Recipe for La Dolce Vita

The veteran Miami developer has lived through a bust or two, and he's not worried about this one

BY CHAVA GOURARIE



Ugo Colombo has lived the booms and busts of Miami. The Italian-born developer got his start after the savings and loan crisis in the late 1980s, and in 1995 he completed his first building, the Bristol Towers condominium — a property that helped set off the transformation of the Brickell neighborhood into a luxury boomtown.

Colombo made it through the dot-com bubble, and then completed the Epic, a 54-story tower in Downtown Miami, in 2009, just as the full brunt of the Great Recession arrived, hitting Florida hardest of all.

But in the post-Great Recession wasteland, Colombo was right back at it aiming even higher. He began to build the Flat Iron Brickell, a 64-story luxury condominium that launched sales in 2014 and was delivered in 2019.

Now, Colombo is developing several low-rise oceanfront condominiums, including Vita, a six-story project that wraps around one edge of Grove Isle off Coconut Grove. It was entangled in legal scuffles for a while and Colombo was out of the deal, then back in, and now he's all in. In the Vita sales office, a replica spans three to four feet, below a screen where prospective buyers can view the details.

Commercial Observer met with Colombo in the Vita sales office in mid-January to discuss the condo

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market, Colombo's start as a developer, and his favorite building in Miami.



Commercial Observer: Let's start at the beginning. What was the strategy behind Bristol Towers, one of the first luxury towers in Brickell?

Ugo Colombo: When I started my first building, at the end of the 1980s, condos were considered the utility area. Luxury was a house, and a condo was always more utility. But, I mean, I grew up in Europe; in Europe, everybody's in an apartment, there are no houses.

So my idea was to build a large unit that could be an alternative to a house. It was still a 40-story building, but it had private elevators and large balconies and space that you have in a house with the convenience and security of a condo.

Who else was developing in the '90s at the same time? Are there any of them still around?

In the '80s you had the savings and loan crisis. Everybody that developed anything in Miami pretty much disappeared. Most of the buildings that were built would have been taken over by the failed banks, which then in turn got taken over by the government. And that's when I started working. At that point the market started slowly coming back, but there was not that much product being built.

Some of the developers that survived were the Soffers, Turnberry...

Related Group was probably around at that time.

Related started a little bit after me or later. When I was building a luxury condominium, Related was building a lot of affordable housing. I want to say in the late '90s Related started getting into higher-end condos.

Everybody comes here since, I think, it's easy to build a building. You have all these people coming wanting to be developers.

So when you started, that was right when Hurricane Andrew hit in 1992, right?

My first building, Bristol Towers, was under construction. It was up to the 20th floor, already halfway up. And what happened, actually, it went through the hurricane unscratched. It was kind of a miracle.

I mean, it was all strapped down, and being that most of the glass was not out yet, the wind was blowing through and everything on the floor was secure.

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But there was a famous picture which I love, that one piece of wood — a 2-by-4 — flew off the building and went into a palm tree and split that palm in half like a banana. And there was this picture of this palm like someone sawed it in half, with a piece of wood stuck into it.

That's good nobody was around then. Where did you evacuate to?

I stayed here, actually. I was coming from Europe and I was like, "They're exaggerating." I didn't take it that seriously. A lot of people [stayed] and actually I stayed here in a hotel, which survived the crash as well. I remember that I woke up and I got out of the hotel and there was a 50-foot boat in the middle of the street, a big fishing boat — not in this street [near the water] but in the one after.

Wow. So that means most of what you built was done according to the building codes put in place after Hurricane Andrew?

The big change was that they enforced laminated glass, which is glass with the silicone in the middle. It's like a car windshield so that if a stone hits the windshield it doesn't blow up in your face. All the new windows are like that. That was a big change after Andrew. It wasn't drastically different; there was a hurricane code even before.

OK, so we'll fast-forward back to now. You are currently working on Vita, a boutique condo that wraps around one side of Grove Isle, just off Coconut Grove. What other projects are you working on?

We have a project that's under construction that's in Bay Harbor. It's another small building, 45 units, seven stories, similar to Vita, on the water with great views. I'm working on another project here in the Grove that has not been announced yet.

You went from building very tall buildings to more boutique. Is there a reason for that?

All my career I always built waterfront properties. Big buildings, but waterfront properties. Then I built the Flat Iron. I saw this urban revival of the Downtown core and I thought that Downtown is becoming similar to a section of Manhattan. So I thought of building a high-rise — still the high-end but non-waterfront — in that core.

But what I really enjoy is smaller, more custom-tailored properties. I'd rather do three smaller buildings rather than one big one and more high-end and bigger units and be targeting more custom buyers. The homebuyer that is looking for an alternative house, one that has the same spaces and the same feeling of privacy as you would have in a house, I mean, you're gonna have it 100 percent — but, the other side of the coin, in a property like Vita you have security, you have a gate, you don't have the maintenance of a house, the landscape, the pool guy. You have that advantage of living in a condominium without being in a 60-story building.

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If there were any waterfront land in Brickell or Downtown, would you consider building there?

Here you have zoning that is preset, so if you have a piece of land and on that piece of land you can build a 50-story building, that land will be priced for a 50-story building. So now if you pay the price for a 50-story building and you build five, the numbers aren't gonna work, right?

It sounds like the type of buyer you look for is somebody who is planning to live there. Or do you get a lot of people looking for a pied-a-tierre, or a vacation home, or investment property?

In my career I like to target buyers that are buyers, and I'm building a unit for someone to live in. I'm not building a unit for someone to speculate. That's why even in the 2008 crisis, when we finished the Epic, at the end of the day, I think I was one of the few developers who didn't have to give the building back to the banks because I do not let people buy units for speculation.

If you want a unit, it's because you need a place to live, not because you want to flip it or resell it. Now, when you have 500 units like ours it's more complicated to do that, but I always try. If someone comes in and says, "I want 10 units," I always say no, because if things then go the other direction, you don't want speculators.

But, even more, this project is a project for residents, people that want to live here — and, basically, who are moving from a house or moving to Miami and love the convenience of Coconut Grove.

Do you live in Coconut Grove?

No, I live in Miami Beach. But I got my kids a car now because they go to school here.

How old are your kids?

Sixteen and three quarters [laughs], 15, and 5 years old.

Mansion Global reported a few years ago that you live in Carl Fisher's house at the edge of Miami Beach (which Fisher created). Do you still live there?

Yes. And talk about maintenance. It's a nightmare.

How old is it?

The house, 1926.

Almost 100 years.

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Yeah, but the house per se is not the issue, because everything is completely renovated. It's the garden, the landscape, pest control, and it's not because it's old — it's because a house on the waterfront is just a lot of maintenance.

How much space is it?

About 2 acres. So it's also a lot of land, a lot of landscape and maintaining the landscape. It's complicated. There's never a sprinkler that works like it should.

Getting back to Vita. With the macroeconomic situation as it is in terms of higher interest rates and potential recession, is that affecting the condo market here?

It's affected to the extent that people are sort of waiting to see what happens. There has not been a big change in pricing, because there's also nothing on the market. If you take 1998, you would have seen cranes like mushrooms in Miami; there were, like, I don't know, about 30,000 units under construction, and there were buildings in the process of getting completed everywhere. Now, there is nothing under construction.

Really? There's so much being proposed!

There is not one shovel in the ground. Because, once you start, then you gotta keep going. The timing is very different this time; there's very little that's been delivered. And, as with any crisis, we'll get over it. The rates will go up, and then eventually will come back down.

And because there aren't deliveries getting forced in the market — that's what happened in 2008, there were 5,000 units under construction and in the process of getting delivered. And those buildings were finished right in the middle of the recession and the crisis, so people could not afford to take delivery. So if you have a unit and you never close, the unit goes back on the market, so that created a spiral in prices. Right now, the situation is not there.

A lot of the proposed projects are pre-selling quickly.

Yes, I agree. But they're not under construction yet. Which means that those products are gonna get delivered three, four years from now.

I'll give you a fact without naming names. I just hired somebody in construction. This guy was working for one of the biggest general contractors in Florida. And one of the reasons he quit is because it's been a year and a half and he worked on eight projects [in pre-development], and none of them started.

What you start seeing now is some projects are starting to get construction financing because people are foreseeing, "If I start now and I deliver three years from now — and in three years, or whenever there is a recession, we're going to be out already in three years." So you start seeing now the last two, three

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months, that this is not going to be a massive crisis. We might go through a recession, but there's not going to be 18 percent interest rates.

We've seen some big construction loans in the last couple of weeks.

We're also seeing this here. We sold very well until the summer, then it started slowing down. And now we're starting to see that it's starting again, buyers are coming back, there's an ongoing interest. There seemed to be this period that nobody knew what was gonna happen. People are starting to see the light at the end of the tunnel, and foreseeing that, you know, it's not going to be the end of the world, and we're gonna get out of this, like any crisis, right? Eventually you get out.

What do you think of all the supertall towers that people are proposing? There was one just proposed on Brickell Key.

I mean, Flat Iron, which was 700 feet, it was complicated enough. Now, can you do it? Everybody's proposing 1,000-foot towers — I have not been involved with engineering 1,000-foot towers. But I have to imagine that if everybody wants to do that, it's got to be possible. Everything is possible.

Is there a building in Miami, other than your buildings, that you really like, or you think is set apart by something?

I love the Zaha Hadid building [the One Thousand Museum condominium]. I'm not sure I would have had the guts to do it. But I think it's a great building. Unfortunately, it's in a little bit of a position where you cannot really appreciate it. The podium should stand somewhere. I mean, it's impossible, but it should stand on an island on its own.

You were saying before that everybody thinks they can come down here and build a building. There's a lot of new developers and new money in town.

It's always like that; since I've been here it's been like that. Every once in a while someone pops up. I popped up!